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THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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First District

Yvonne Brathwaite Burke
Second District

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Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

February 3, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF RESPIRATORY CARE SERVICES AGREEMENT AMENDMENT
WITH LEUCADIA SYMPHONY, LTD.**
(1st District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 14 to Agreement No. 71840 with Leucadia Symphony, Ltd., for the continued provision of pediatric respiratory care services at LAC+USC Healthcare Network Women's and Children's Hospital, effective March 1, 2005 through August 31, 2005, at a maximum net County cost of \$694,098 for the maximum six-month period.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The maximum six-month extension amendment to Agreement No. 71840 for pediatric respiratory care services at LAC+USC Healthcare Network Women's and Children's Hospital (WCH) is being requested as an interim measure to continue these critical services, pending completion of the final stages of a solicitation process.

The Department of Health Services (DHS or Department) anticipates completing contract negotiations prior to submitting the final agreement for Board approval by August 31, 2005.

FISCAL IMPACT/FINANCING:

The maximum net County cost for the maximum six-month extension for pediatric respiratory care services at WCH is \$694,098.

Funding for this Agreement is included in the Fiscal Year (FY) 2004-05 Adopted Budget and will be requested in the FY 2005-06 proposed budget. There is no other net County cost associated with this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The County has been contracting for respiratory care services under provisions of County Code 2.121.250 et seq., "Contracting with Private Businesses" (Proposition A), since April 1989.

On June 22, 1993, the Board approved Agreement No. 71840 with Integrated Health Services, Inc. (Integrated), effective July 1, 1993 through December 31, 1998, for the provision of clinical, emergency, and diagnostic respiratory care services to pediatric inpatients and outpatients of WCH.

Amendment No. 1 to Agreement No. 71840 extended the term of the Agreement from January 1, 1999 through September 30, 1999 to allow DHS to initiate a Request for Proposals (RFP) process. Amendment No. 2 extended the term of the Agreement from October 1, 1999 through March 31, 2000. Amendments No. 3 through 7 extended the term through September 30, 2001.

On December 20, 1999, DHS released an RFP for both adult and pediatric respiratory services at WCH. After evaluation of the proposals and contract negotiations were finalized, DHS filed a new proposed agreement on September 13, 2001 for approval on the September 25, 2001 Board agenda. However, the Board continued the proposed new agreement for one month and the existing agreement was extended by one month to October 31, 2001. During the one-month extension period, DHS determined that several County respiratory care services employees would be impacted under the proposed agreement and, as a result, the Director of Health Services requested that the proposed agreement be referred back to the Department and the existing agreement be extended.

On October 30, 2001, the Board approved Amendment No. 8 to extend the term of the Agreement through April 30, 2002 to provide DHS with additional time to re-issue the RFP and complete the solicitation process. The Department decided to develop and re-issue a combined new RFP for pediatric respiratory services at WCH and full respiratory services at Martin Luther King, Jr./Drew Medical Center (King/Drew) under two separate agreements.

Subsequently, the Board approved Amendment Nos. 9 through 12 for the period May 1, 2002 through February 29, 2004. These amendments were necessary to allow the Department time to fully define the scope of work requirements for the two facilities and clarify other solicitation process issues related to Proposition A.

On March 25, 2003, the Department released an RFP for respiratory care services at WCH and King/Drew. By the May 30, 2003 submission deadline, only Symphony Respiratory Services, Inc. (Symphony), a wholly-owned subsidiary of Leucadia Symphony, Ltd. (Leucadia), had submitted a proposal for both medical facilities.

On December 2, 2003, the Board approved a Consent to Assignment acknowledging the transfer of the contractor's rights and responsibilities under Agreement No. 71840 from Integrated to Leucadia, retroactive to August 31, 2003.

Upon completion of an evaluation of the proposal and contract negotiations, and receipt of the Auditor-Controller's (A-C) validation of the cost analysis for King/Drew, DHS filed a new proposed agreement for Board approval on August 5, 2004. On August 17, 2004, the Board approved a five-year agreement with Symphony for the provision of respiratory care services at King/Drew.

In September 2004, the A-C notified LAC+USC Medical Center that the avoidable cost analysis submitted for validation did not appear to be cost effective. However, on January 10, 2005, the facility resubmitted the cost analysis to the A-C for validation, having updated the analysis with the salary increases which became effective January 1, 2005, and a reconfiguration of staffing classification due to the specialized nature of pediatric respiratory care.

The existing Agreement is scheduled to expire on February 28, 2005.

Amendment No. 14 to Agreement No. 71840 will extend the term of the Agreement for a maximum six-month period on a month-to-month basis, effective March 1, 2005 through August 31, 2005, to continue the provision of pediatric respiratory care services at WCH. This extension would also provide the Department with additional time to complete the RFP process, including validation of the revised avoidable cost analysis by the A-C to determine cost-effectiveness.

The County guidelines for the timely submission of contracts for Board approval three weeks in advance of the effective date was not met due to issues related to the cost analysis and contract negotiations with the vendor. The Department anticipates completion of contract negotiations, meeting with Local 660 representatives to resolve any issues the Union may have related to the proposed agreement, and submission of the final agreement for pediatric respiratory care services at WCH to the Board for approval by August 31, 2005.

Symphony fully complies with the requirements of the Living Wage Program (County Code Chapter 2.201) by paying its full-time employees providing services under the agreement a living wage.

The amended Agreement may be terminated at any time by the County by providing a 30-day advance written notice to the contractor.

The amended Agreement includes the latest provisions regarding compliance with the jury service program, safely surrendered baby law, and non-payment by County for services rendered after the expiration/termination of contract.

Contract monitoring functions are performed by WCH's staff.

Attachment A provides additional information.

The Honorable Board of Supervisors
February 3, 2005
Page 4

The amendment (Exhibit I) has been approved as to use and form by County Counsel.

CONTRACTING PROCESS:

County Counsel and the Chief Administrative Office - Risk Management Operations approved the issuance of the RFP, which the Department released on March 25, 2003. The Department advertised the RFP on the Los Angeles County Online Web Site and in local newspapers during the week of March 24, 2003.

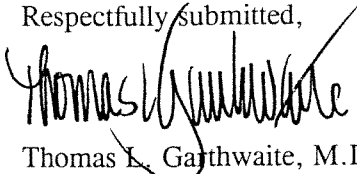
Representatives from three respiratory care providers attended the mandatory proposers' conference, but only Symphony submitted a proposal for both WCH and King/Drew.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The recommended Amendment will continue the provision of respiratory care services at WCH at the current service and payment levels pending completion of the Department's solicitation process.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:dz

Attachment (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor Controller

BLETCD3722.DZ

SUMMARY OF AGREEMENT AMENDMENT

1. TYPE OF SERVICE:

Pediatric Respiratory Care Services at LAC+USC Healthcare Network's Women's and Children's Hospital (WCH).

2. AGENCY ADDRESS AND CONTACT PERSON:

Leucadia Symphony, Ltd.
Symphony Respiratory Services Division
27853 Twilight Court
Murrieta, California 92563
Attention: Ken Wieck, Regional V.P.
Telephone: (951) 461-1864 / Facsimile (FAX): (951) 461-1874

3. TERM:

Amendment No. 14 will extend the term of Agreement No. 71840 for a maximum six-month period on a month-to-month basis, effective March 1, 2005 through August 31, 2005.

4. FINANCIAL INFORMATION:

The maximum expenditures over the maximum six-month period under Agreement No. 71840 will be \$694,098, in net County cost.

5. PROGRAM INFORMATION:

The Amendment will allow for the continuation of the provision of pediatric respiratory care services at WCH.

6. ACCOUNTABLE FOR CONTRACT MONITORING:

WCH's administrative staff are responsible for monitoring the contract program.

7. APPROVALS:

LAC+USC Healthcare Network:	Pete Delgado, Chief Executive Officer
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (approval as to form):	Christina A. Salseda, Deputy County Counsel

EXHIBIT I

Contract No. 71840

RESPIRATORY CARE SERVICES AGREEMENT

AMENDMENT NO. 14

THIS AMENDMENT is made and entered into this _____ day
of _____, 2005,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

LEUCADIA SYMPHONY, LTD.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled
"RESPIRATORY CARE SERVICES AGREEMENT", dated June 22, 1993, as
amended by Amendment No. 1, dated November 10, 1998, Amendment No.
2, dated September 14, 1999, Amendment No. 3, dated March 21,
2000, Amendment No. 4, dated June 20, 2000, Amendment No. 5, dated
September 19, 2000, Amendment No. 6, dated November 14, 2000,
Amendment No. 7, dated February 20, 2001, Amendment No. 8, dated
October 30, 2001, Amendment No. 9, dated December 18, 2001,
Amendment No. 10, dated August 6, 2002, Amendment No. 11, dated
January 21, 2003, Amendment No. 12, dated July 29, 2003, and
Amendment No. 13, dated February 17, 2004, all identified as
County Agreement No. 71840 (collectively hereafter "Agreement");
and

WHEREAS, Agreement is slated to expire on February 28, 2005;
and it is the desire of the parties to extend the term of

Agreement, on a month-to-month basis, for a maximum of six (6) additional months, to and including August 31, 2005; and

WHEREAS, County intends to complete a competitive process for the award of a new contract during the contemplated extension; and

WHEREAS, except as set forth herein, it is the desire of the parties hereto to extend the terms and conditions set forth in the Agreement to apply to and through the term of this Amendment; and

WHEREAS, the Agreement provides that changes to its provisions may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. The term of this Agreement is hereby extended on a month-to-month basis for up to six (6) months from March 1, 2005, and unless sooner terminated, shall expire on August 31, 2005.

2. To the extent not inconsistent with this Amendment and except as set forth and/or in accordance with the terms herein, the terms and conditions of Paragraphs 1 through 69, inclusive, as set forth in the Agreement, shall continue in full force and effect during the term of this Amendment.

3. That Subparagraph A of Paragraph 1 (TERM) be revised and amended as follows:

"A. The term of this Agreement shall commence on the date first hereinabove written and shall continue in full

force and effect through August 31, 2005, unless terminated sooner. Services shall commence on July 1, 1993."

4. That Paragraph 70, MAXIMUM OBLIGATION OF COUNTY, be added as follows:

"70. MAXIMUM OBLIGATION OF COUNTY: During the period effective March 1, 2005 through August 31, 2005, the maximum obligation of County for all services provided under this Agreement shall not exceed Six Hundred Ninety-Four Thousand, Ninety-Eight Dollars (\$694,098). Such maximum obligation is comprised entirely of County funds."

5. During the term of this Amendment, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

6. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical
Officer

LEUCADIA SYMPHONY, LTD.
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMENDCD3721.DZ
dz:12/16/04



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

March 24, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF A RESPIRATORY CARE SERVICES AGREEMENT WITH SYMPHONY
RESPIRATORY SERVICES, INC. (1st District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that pediatric respiratory care services, as described herein, may be performed more cost effectively by private contractors.
2. Approve and instruct the Chair to sign the attached agreement with Symphony Respiratory Services, Inc., a wholly-owned subsidiary of Leucadia Symphony, Ltd. (Symphony), for the provision of pediatric respiratory care services at LAC+USC Healthcare Network Women's and Children's Hospital, effective May 1, 2005 through April 30, 2008, with provisions for two one-year renewals through an administrative amendment between the Director of Health Services, or his designee, and Symphony, effective May 1, 2008 through April 30, 2010, at an annual maximum net County cost of \$1,599,883. The term of the Agreement may be further extended in writing by the Director, or his designee, beyond the stated expiration date of April 30, 2010, on a month-to-month basis, for a period of time not to exceed six months.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving the recommended actions, the Board is providing for the uninterrupted provision of pediatric respiratory care services at LAC+USC Healthcare Network Women's and Children's Hospital (WCH) by Symphony which was selected as the result of a Request for Proposals (RFP) competitive selection process.

The County has been contracting out respiratory care services under provisions of County Code 2.121.250 et seq., "Contracting with Private Businesses" (Proposition A), since April 1989.

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Contracting under Proposition A guidelines continues to be cost effective for the provision of pediatric respiratory care services.

The existing agreement is slated to expire on April 30, 2005.

FISCAL IMPACT/FINANCING:

The County cost for respiratory care services at WCH is \$1,599,883 per year or \$133,324 per month, for between 14,000 and 24,000 procedures per month. In the event Symphony provides less than 14,000 procedures in any given month, County shall be entitled to a cost reduction based on Symphony's cost savings. In the event County requires more than 24,000 procedures in any given month, the per procedure overage shall be \$9 per procedure. On average over the past 2 years, the facility required 14,500 procedures per month.

The Auditor-Controller (A-C) has reviewed and approved the Department of Health Services' (DHS or Department) cost analysis showing that the agreement is cost effective.

The Agreement provides for an annual cost-of-living adjustment contingent upon the availability of funds at County's sole discretion, by using the average salary percentage movement granted to County employees or the Consumer Price Index - All Urban Consumers (CPI-U) increases, whichever is less, but in no event shall the adjustment exceed five percent. If the CPI-U declines, the current reimbursement amount due to Symphony shall remain the same for the following year.

Funding for this Agreement is included in the Fiscal Year 2004-05 Adopted Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On June 22, 1993, the Board approved Agreement No. 71840 with Integrated Health Services, Inc. (Integrated), effective July 1, 1993 through December 31, 1998, for the provision of clinical, emergency, and diagnostic respiratory care services to all pediatric inpatients and outpatients of WCH who have respiratory diseases.

Amendment No. 1 to Agreement No. 71840 was effective January 1, 1999 through September 30, 1999 to allow DHS to initiate an RFP process. Amendment No. 2 extended the term of the Agreement from October 1, 1999 through March 31, 2000. Amendment Nos. 3 through 7 extended the term through September 30, 2001.

On December 20, 1999, DHS released an RFP. After evaluation of the proposals and the finalization of the contract negotiation process, DHS filed a new proposed agreement for approval on the September 25, 2001 Board agenda. However, the Board continued the proposed new agreement for one month and the existing agreement was extended to October 31, 2001. During the one-month extension period, DHS determined that several County respiratory care services employees would be impacted under the proposed agreement and, as a result, the Director of Health Services (Director) requested that the proposed agreement be referred back to the Department and that the existing agreement be extended.

On October 30, 2001, the Board approved Amendment No. 8 to extend the term of the Agreement through April 30, 2002 to provide DHS with additional time to re-issue the RFP and complete the solicitation process. The Department decided to develop and re-issue a combined new RFP for pediatric respiratory services at WCH and full respiratory services at Martin Luther King, Jr./Drew Medical Center (King/Drew) under two separate agreements.

Subsequently, the Board approved Amendment Nos. 9 through 12 for the period beginning May 1, 2002 through February 29, 2004. These amendments were necessary to allow the Department time to fully define the scope of work requirements for the two facilities and clarify other solicitation process issues related to Proposition A.

On March 25, 2003, the Department released an RFP for respiratory care services at WCH and King/Drew. By the May 30, 2003 submission deadline, only Symphony had submitted a proposal for both medical facilities.

On December 2, 2003, the Board approved a Consent to Assignment acknowledging the transfer of the contractor's rights and responsibilities under Agreement No. 71840 from Integrated to Symphony, retroactive to August 31, 2003.

Upon completion of an evaluation of the proposals and contract negotiation process, and receipt of the A-C's validation of the cost analysis for King/Drew, DHS filed a proposed new agreement for Board approval on August 5, 2004. On August 17, 2004, the Board approved a five-year agreement with Symphony for the provision of respiratory care services at King/Drew.

In September 2004, the A-C notified LAC+USC Medical Center that the Avoidable Cost Analysis for services at WCH did not appear to be cost effective. However, on January 10, 2005, the facility resubmitted the cost analysis to the A-C for validation, having updated the analysis with the salary increases which became effective January 1, 2005, and a reconfiguration of staffing classification due to the specialized nature of pediatric respiratory care.

On February 3, 2005, the Department filed Amendment No. 14 to Agreement No. 71840 to extend the term of the existing Agreement for a six-month period on a month-to-month basis, effective March 1, 2005 through August 31, 2005, to allow time for the A-C to determine the cost effectiveness of the proposed Agreement.

On February 15, 2005, the Board extended the existing Agreement for 60 days, through April 30, 2005.

On February 25, 2005, the A-C validated the Department's updated cost analysis indicating that the proposed agreement is cost effective.

Under the current agreement, Symphony provides all pediatric respiratory care services at WCH. Under the new agreement, Symphony will continue to provide pediatric respiratory care services; therefore, County staff are not impacted by the new agreement. The clinical expertise and skills provided through this contract greatly enhance the quality of services available at the facility.

The Honorable Board of Supervisors
March 24, 2005
Page 4

Symphony fully complies with the requirements of the Living Wage Program (County Code Chapter 2.201) by paying its full-time employees providing services under the Agreement a living wage.

The Agreement may be terminated at any time by the County by providing a 30-day advance written notice to the contractor.

The Agreement includes the latest provisions regarding compliance with the jury service program, safely surrendered baby law, and payment by County for services rendered after the expiration/termination of contract.

Contract monitoring functions will be performed by WCH's staff.

Attachments A, B, C, and D provide additional information.

The Agreement has been approved as to use and form by County Counsel.

CONTRACTING PROCESS:

County Counsel and the Chief Administrative Office - Risk Management Operations approved the issuance of the RFP, which the Department released on March 25, 2003. The Department advertised the RFP on the Los Angeles County Online Web Site and in local newspapers in March 2003.

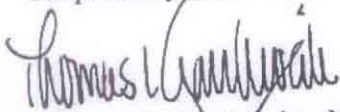
Although representatives from three respiratory care providers attended the mandatory proposers' conference, only Symphony submitted a proposal for WCH.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The recommended agreement will continue the provision of respiratory care services at WCH.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:dz

Attachments (4)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

Respiratory Care Services at LAC+USC Healthcare Network Women's and Children's Hospital (WCH).

2. AGENCY ADDRESS AND CONTACT PERSON:

Symphony Respiratory Services, Inc., a wholly-owned subsidiary of
Leucadia Symphony, Ltd.
Executive Plaza IV
11350 McCormick Road
Hunt Valley, Maryland 21031
Attention: Terry Bydume, Senior Vice President
Telephone: (443) 886-2317 / Facsimile (FAX): (443) 886-2358

3. TERM:

The recommended Agreement will become effective May 1, 2005 and continue through April 30, 2008, with provisions for two one-year renewals through an administrative amendment between the Director of Health Services and Symphony, effective May 1, 2008 through April 30, 2010. The term of the Agreement may be further extended beyond the stated expiration date of April 30, 2010, on a month-to-month basis, for a period of time not to exceed six months.

4. FINANCIAL INFORMATION:

The maximum annual expenditures are \$1,599,883, net County cost.

5. PROGRAM INFORMATION:

The new Agreement will continue the provision of respiratory care services at WCH.

6. ACCOUNTABLE FOR CONTRACT MONITORING:

WCH's administrative staff is responsible for monitoring the contract program.

7. APPROVALS:

LAC+USC Healthcare Network:	Pete Delgado, Chief Executive Officer
Contracts and Grants:	Cara O'Neill, Chief
County Counsel (approval as to form):	Christina A. Salseda, Deputy County Counsel

RESPIRATORY CARE SERVICES FOR
LAC+USC HEALTHCARE NETWORK WOMEN'S AND CHILDREN'S HOSPITAL

PROPOSITION A CONTRACTING

COMPARISON OF ESTIMATED AVOIDABLE COSTS TO THE COST OF CONTRACTING

		<u>COUNTY</u>	COST INCREASE (DECREASE) FROM CONTRACTING
<u>DIRECT</u>			
SALARIES	\$1,185,259		
EMPLOYEE BENEFITS	<u>454,843</u>		
TOTAL PERSONNEL COSTS	\$1,640,102	\$1,640,102	
SERVICES AND SUPPLIES	<u>\$ 0</u>		
OTHER	<u>\$ 0</u>		
TOTAL DIRECT		\$1,640,102	
<u>INDIRECT (1)</u>			
TOTAL OVERHEAD	<u>NA</u>		
AVOIDABLE OVERHEAD	<u>NA</u>		
TOTAL AVOIDABLE COST		<u>\$1,640,102</u>	\$1,640,102
		<u>CONTRACT</u>	
<u>DIRECT</u>			
CONTRACT COST	\$1,599,883		
OTHER (SPECIFY)			
TOTAL DIRECT		\$1,599,883	
<u>INDIRECT</u>			
EMPLOYEE RETRAINING			
CONTRACT MONITORING			
OTHER (SPECIFY)	<u>NA</u>		
TOTAL INDIRECT		<u>\$ 0</u>	
TOTAL CONTRACT COST		\$1,599,883	<u>\$1,599,883</u>
ESTIMATED ANNUAL SAVINGS FROM CONTRACTING			<u>\$ 40,219</u>

(1) Indirect Overhead does not apply to re-solicitations.

CONTRACTING FOR RESPIRATORY CARE SERVICES

Compliance with County Code Requirements

The agreement meets all of the following mandatory requirements of County Code Section 2.121.250, et seq.

- (a) The award of the contract will be cost effective;
- (b) The County's ability to respond to emergencies will not be impaired;
- (c) The award of the contract will not result in the unauthorized disclosure of confidential information;
- (d) Alternative resources are available so that the services can be obtained from another source in the event of default by the contractor;
- (e) The award of the contract will not infringe upon the proper role of the County in its relationship to its Citizens;
- (f) The award of the contract will be in full compliance with all applicable Federal and State regulations;
- (g) Implementation of the contract will not result in a reduction in County services; and
- (h) The award of the contract will not violate the provisions of County Code 2.121.295, "Certain Contracts Prohibited".

The agreement also contains provisions recommended by the County CAO-Risk Manager Operations to cover the County's potential tort liability. The Contractor will provide evidence of the required insurance coverage prior to the commencement of services.

Participation in the contracting process by minority vendors was solicited by advertising in the Los Angeles County Online Web Site, local newspapers such as the Los Angeles Sentinel, Eastern Group newspapers, and Rapid Publishing which represents five south Los Angeles newspapers, and distributing notices by mail to firms listed on the department's proposers' list.

Selection for award of the contract was made without regard to race, creed, or color.

PROPOSITION A CONTRACTING

CONTRACT EMPLOYEE WAGES AND BENEFITS

The proposed contract would reduce the County's cost to provide respiratory care services by an estimated \$40,219 per year, based on Auditor-Controller guidelines for cost comparisons. Additional information on contract employees' wages and benefits is provided below.

COMPARISON OF WAGES

<u>Position</u>	<u>County</u>	<u>Contractor</u>
	\$ /hr	\$ /hr
Department Manager	40.80	38.00
Head Respiratory Care Practitioner	30.80	28.00
Supv. Respiratory Care Practitioner	28.46	27.00
Respiratory Care Practitioner II	25.53	23.00
Respiratory Care Technician	19.19	17.00
Intermediate Clerk	14.64	13.00

CONTRACTOR EMPLOYEE BENEFITS

<u>Benefit</u>	<u>Contractor</u>
Health Plan	Yes
Retirement Plan	Yes
Dental Plan	Yes
Holidays	11 days/yr.
Sick Leave	6 days/yr.
Vacation	20 days/yr.
Life Insurance	Yes

Other:

Basic Accidental Insurance: Company paid.

Supplemental Accident Insurance: Employee paid.

Short Term Disability (STD): Employee paid.

Long Term Disability (LTD): Company Paid.

401(K) Plan: Voluntary employee contributes/Company discretionary matching contribution.

Business Travel Insurance: Company Paid.

Employee Assistance Program: Company Paid. Three (3) assessment and/or referral sessions for employee and family members per calendar year.

Personal Leave of Absence: Unpaid. Maximum length is six months. Medical Leave of Absence: Unpaid. Maximum length is one year.

Jury Duty Leave: Employee's earnings as a juror are supplemented to equal his/her regular base earnings for the required length of jury duty.

Bereavement Leave: Company paid. Three days (24 hours) paid leave when death occurs in the immediate family.

Military Leave: Unpaid. Each employee is entitled to be reinstated in accordance with applicable federal law (Chapter 43 of Title 30, United States Code).

Family Leave: Unpaid. Family Leave can be requested for a maximum of six months to care for an immediate member of the family who is ill, or to take care of a child or adopted child.

Workers Compensation: Company paid. Provides medical and disability insurance coverage for employees who are injured on the job or become ill due to job-related exposure to hazardous substances.

Tuition Reimbursement: Company pays up to \$1,000 per calendar year for undergraduate work, and \$1,500 per calendar year for graduate level courses.

Seminar Reimbursement: Payments of maximum allowable.

Contractor Health Plan Information

- (1) Health Insurance and Prescription Drug Plan through Blue Cross/Blue Shield and Medco Health Solutions respectively - Partially employee paid.

The Plan pays benefits for employees and covered dependents for medical expenses due to sickness or accidental injury. There are three plan options. All Plans pay reasonable and customary charges for covered services. A Prescription Plan is included in the cost of the Medical Plan.

(a) Maximum Lifetime Benefit:

- Substance Abuse \$10,000
- All other services \$1,000,000

(b) Premiums:

- Employee Only \$31 to \$75 depending on the plan selected
- Family Coverage \$103 to \$245 depending on the plan selected

(c) Maximum Annual Out-of-Pocket Expense

- Employee Only \$1,000 to \$1,500 depending on the Plan selected
- Family Coverage \$3,000 to \$4,500 depending on the Plan selected

(2) Dental Insurance through Aetna, Inc. - Partially employee paid.

IHS offers two Dental Plans. The Plan pays for preventive, diagnostic, fillings, simple extractions, endodontics, complex oral surgery, periodontics, major restorations, and orthodontics for eligible employees and their dependents. Following is a synopsis of the Plans:

(a) Annual Maximum Benefit:

No maximum (DMO)/\$1,500 PPO

(b) Premiums:

- Employee Only \$6.71 to \$10.24 depending on the plan selected
- Family Coverage \$22.61 to \$34.49 depending on the plan selected

(3) Vision Plan through Vision Service Plan - Partially employee paid.

The Plan pays for exams and lenses on an annual basis. Frames are covered every two years. Laser vision is provided at a discount.

Premiums:

- Employee Only \$2.50
- Family Coverage \$6.49